

prices are near an alltime high and we as American taxpayers, are subsidizing the oil industry to the tune of \$4 billion a year. You need the imagination of Lewis Carroll, who wrote "Alice in Wonderland," to come up with a more ridiculous scenario.

That is why I strongly support and am proud to cosponsor Senator MENENDEZ's "Close Big Oil Tax Loopholes Act."

This legislation will put an end to taxpayer handouts to the five largest integrated oil companies and use that \$21 billion in savings to reduce the deficit. This \$21 billion is an excellent downpayment on the effort to get our fiscal house in order. If we use this \$21 billion, it will be a little easier to reach our huge goal of reducing the deficit. It will be a little easier to complete our dual goals of reducing the deficit but still growing the economy.

The bill repeals a host of Byzantine tax provisions that only a lobbyist could love, such as the deduction for tertiary injectants and the deduction for intangible extraction costs. Some thought these up a long time ago. They have sat in our Tax Code, but they mean lots of money to Big Oil.

Small- and medium-sized oil firms are exempt. The only companies the legislation deals with are the big five—Shell, ExxonMobil, Chevron, Conoco-Phillips, and British Petroleum.

I have heard pundits from the hard right parrot Big Oil's talking point that repealing these giveaways would increase gas prices for consumers. Nothing could be further from the truth. Last week, two major studies—one from the nonpartisan Congressional Research Service and another from the Joint Economic Committee—found that ending these absurd subsidies would not—would not—impact the price of gas. Neither of these studies—these were scientific studies done by economists. They did not have any biases.

In what was perhaps an inadvertent moment of candor at last week's Finance Committee hearing, ExxonMobil's CEO Rex Tillerson said:

Gasoline prices are a function of crude oil prices, which are set in the marketplace by global supply and demand, not by companies such as ours.

Let me repeat what he said because it directly answers the argument that some on the other side of the aisle have made that if we repeal these subsidies, we will raise gas prices because that means the companies would decide to raise them because they are getting less subsidy. Here is what Mr. Tillerson said:

Gasoline prices are a function of crude oil prices, which are set in the marketplace by global supply and demand, not by companies such as ours.

That does not seem like an objectionable comment; it is true. But when he made that comment, Mr. Tillerson of ExxonMobil was conceding that repealing taxpayer-funded subsidies for the big five will not increase prices. Prices

are set, as he says, by global supply and demand. That is not to say repealing the subsidies would necessarily bring down prices. We are not making that claim. All along we have been clear that the purpose of this bill is to make a dent in the deficit by repealing tax breaks for the five companies that are the least in need of help from Uncle Sam.

Lowering the cost of gasoline and ridding our country of its dependence on foreign oil requires, of course, a long-term comprehensive approach. It is something we must do. It is outrageous that our country sends \$1 billion a day overseas, wealth out of American pockets. To whom do we send them? People we dislike intensely—Ahmadinejad of Iran and Chavez of Venezuela. Why are we doing that? Because we failed to come up with a long-term policy that reduces our dependence on foreign oil.

In the months ahead, I expect the Democratic caucus will unveil a thorough and forward-thinking plan to do just that. In the meantime, if Republicans in the House are serious about deficit reduction, the Menendez bill is their chance to show it now.

If we are going to come together, is this not the easiest place to come together? We are going to have a lot of hard struggles as we attempt to reduce the deficit, as the debt ceiling looms over us. But this is an easy one, and many people on my side of the aisle are scratching their heads. If our colleagues on the other side cannot give in on something such as this, what are they going to give in on? Speaker BOEHNER said earlier this week he wants to make trillions of dollars in cuts. Here is a good place to start. Indeed, the Speaker himself has said as much.

At one point, he seemed to say it makes some sense to eliminate subsidies to the big five. Let's not forget that Speaker BOEHNER was in favor of repealing oil subsidies before he was against it.

The bottom line is this: At a time of sky-high oil prices, it is unfathomable to continue to pad the profit of companies with taxpayer-funded subsidies. The time to repeal these giveaways is now. No more should we send \$4 billion this year, next year, or any year to the five big oil companies which have made record profits and admittedly, by the admission of Mr. Tillerson, if we take them away from them it would not raise gas prices a plug nickel.

Our plan to cut the deficit begins with ending wasteful subsidies to Big Oil. The Republican plan, as embodied by the Ryan amendment, for which almost every Republican in the House voted begins with ending Medicare as we know it. That is a bright line difference between our side and theirs. We know what choice the American people want us to make.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

EXTENSION OF MORNING BUSINESS

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent that morning business be extended until 8 p.m. for debate only, with Senators permitted to speak therein for up to 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CLOSE BIG OIL TAX LOOPHOLES ACT

Mr. BROWN of Ohio. Mr. President, I thank the senior Senator from New York who has been a real leader on this issue to bring more tax fairness to the American people and take away the subsidies of these five companies that absolutely do not need those subsidies and to help deal with the budget deficit. We can do that with one simple step that far too many conservative politicians in this city are resisting. I join Senator SCHUMER in expanding on his comments.

We think our Nation's spending and its budget should reflect our Nation's priorities, should reflect our investments in education, infrastructure, how it will strengthen our economic competitiveness, whether in Charleston, WV, or Ironton, OH, through the innovation of entrepreneurs and small businesses.

Our Tax Code should also reflect our priorities to create jobs at home—to encourage companies to invest in clean energy to end our Nation's dependence on foreign dirty oil.

Last week, unfortunately, we heard just how out of touch some politicians and their benefactors in the oil industry are with the real priorities and real problems facing our Nation—huge Federal deficits, \$4-a-gallon gas, Americans struggling to find a job or put food on the table even if they are employed.

I received a letter from Laurie from Lakewood, OH:

This recession has hurt our family budget for the past three years. My husband and I have had our pay reduced.

We cut our expenses—not going out to eat or to the movies or the department stores. My husband and I are both working second jobs to keep our kids in school and food on the table. We carpool and do everything we can to cut expenses.

I'm at the end, I don't know where else to cut and I don't have the option of not putting gas in my tank because I have to get to my jobs.

She said "jobs," plural.

Please, if you can do anything, it would help so many of us who are struggling.

Laurie's story is similar to that of many other Americans and so many Ohioans from Ashton, OH, to Hamilton, from Lima to Gallipolis, the working mom who drives from home in the suburbs to work downtown; truckdrivers in Toledo where high gas prices jeopardize their ability to operate and transport products across the country;